

IDAHO WORKFORCE DEVELOPMENT COUNCIL

October 3, 2007 Meeting Minutes

Welcome and Introductions

Council Chair Con Paulos called the meeting to order at 9 a.m. He asked members and guests to introduce themselves, noting those who were not in attendance due to scheduling conflicts.

The chair then reviewed the agenda and asked for any changes. There were none. The minutes of June 6, 2007 were presented for review and acceptance. Dave Whaley moved and Dene Thomas seconded the minutes be approved as written. The motion carried unanimously.

Chair's Report

Chair Paulos reported on the Magic Valley Workforce Summit and meeting of the chairs and directors of education, workforce and economic development programs.

The chair reported that the summit, attended by more than 100 individuals, focused on the worker shortage fueled by the region's phenomenal economic growth. A variety of speakers from CSI, the Department of Labor, economic development and former first lady Pat Kempthorne suggested solutions to the workforce issues.

Later that day, Chair Paulos hosted the Directors of Commerce and Labor, and the State Board of Education, who met with the chairs of the Economic Advisory Council, Idaho Travel Council, Science and Technology Advisory Council and Idaho Rural Partnership to explore areas of mutual interest.

He noted that the key areas for collaboration included:

- Analyzing and finding solutions for worker shortages
- Consolidation and collaboration to create efficiency
- Refocusing on the underprepared students and increasing the number prepared for work and further learning
- Engaging the business community more broadly in education and creating broad awareness about opportunities in the community
- Determining the extent of repairs and replacement for the state's physical infrastructure.

Chair Paulos also reported that he met with Governor Otter who wanted the council to identify employer expectations for secondary and postsecondary graduates. He also noted that he had appointed Gordon Graff, the state's lead disability navigator, to serve as the council's representative to the Assistive Technology Council.

Legislative Update

Bob Fick, Communications and Legislative Director for the Department of Labor, reported that the Idaho economy has grown more rapidly than many states and that 2006 could become the

benchmark year for measuring growth. The economy created over 28,000 jobs in 2006, representing a 4.6 percent increase, the fifth best in the country. This is the best since 1989/90. He reported that 23 percent of the jobs were in production—11th in the country.

While average wages remain among the lowest in the country, the average wage moved up 5.8 percent to \$32,570, moving Idaho up to 45th from 46th. The state added nearly 3,000 new businesses in 2006 earning a ranking of fifth nationally for growth. The gross state product jumped nearly 9 percent to over \$49.9 billion, with exports a major factor in the expansion.

Idaho had the lowest unemployment rate in the country in August of 2007, at 2.4 percent. Idaho ranked 7th nationally in job creation in August at 2.49 percent over the same period in 2006. He indicated that while strong, these numbers reflect slower growth—construction is flat, permits are down and unemployment claims are on the rise.

Mr. Fick closed by sharing the department's legislative proposals. Among the proposals discussed were:

1. a Reed Act appropriation to stabilize department funding
2. a change to the department's budget to convert the Incumbent Worker Training Loan Fund to a grant program for training incumbent workers in high demand, high wage jobs
3. updating of Idaho's child labor laws
4. numerous changes under consideration to the Unemployment Insurance program and
5. legislation that would transfer the Career Information System to the department.

Mr. Fick noted that proposals will only move forward to the legislature if approved by the Governor.

Mike Rush offered that Professional-Technical Education was reluctantly giving up CIS but agreed that the move to Labor would add value. He also expressed concerns about the possible impact changes in child labor laws might have on internships, especially employer perceived limitations. Dr. Rush recommended countering any misperceptions with an employer education program.

Investments in Manufacturing (Transmittal #1)

Leandra Burns, Department of Labor, introduced recommendations contained in Transmittal #1. Ms. Burns updated the council on the status of the regional efforts to develop responses to worker shortages in manufacturing. She noted that industry and community partners are working together to solve problems. She remarked that the industry is beginning to see new value in using the apprenticeship model for youth and adults and that Professional-Technical Education is investing seed money in Region I to establish a school-to-work apprenticeship model in manufacturing.

After discussing progress in each of the regions, Ms. Burns introduced Gail Cushman, Education Director for the Department of Correction, who worked with partners in establishing a program for offenders in Southwest Idaho. Mr. Tom Collins, a participant in the manufacturing program, offered praise for the program saying it created an opportunity for a career and provided a sense

of direction for the future. In response to questions from members, Ms. Cushman said the program cost is \$1,000 per trainee, but the cost is shared by employers, BSU, the Departments of Labor and Correction as well as Boise Schools. Ms. Burns also noted the important contributions of the Bureau of Apprenticeship and Training to the success of the programs. Jim Schmidt offered that training is important for those incarcerated and that he would like to see Correction have access to a source of funding to seed new programs such as this.

After sharing the status, Ms. Burns directed the council to recommendations in Transmittal #1. These were to continue use of Governor's 15 percent reserve funds for projects in Regions III and IV to support manufacturing and for Region VI to support expansion of EITC's radiation technology program dependent upon receipt of grant funds for the program, for a total of \$150,000 to be spent by June 30, 2008. The department will work with other regions using Workforce Development Training Funds to support expansion in these areas. Any unspent WIA funds will be carried over as Governor's 15 percent funds. Pat Minegar moved the council accept these recommendations; seconded by Betty Kerr and carried unanimously.

North Idaho Manufacturer's Association

John Currin introduced Dave Bonfield, Executive Director for the North Idaho Manufacturers' Association. NIMA is the only official manufacturing association in the state and has approximately 100 members in the Clearwater area of Idaho and Southeast Washington. Mr. Bonfield noted the value of manufacturing to the community and the relatively higher wages paid in the industry. He also noted the value of the association, allowing for cooperative purchases in health care and training. Mr. Bonfield advised the council that they were attempting to get an Economic Development grant to help with training. Mr. Currin observed the difficulty in shifting from a culture of competition to collaboration but that the benefits are winning people over in the cross border region.

In response to a question from Vice Chair B.J. Swanson about the preferred training approach, Mr. Bonfield said that both classroom and on-the-job training have value but that too few students were being directed to the industry. Students are not aware of the high-technology, specialized processes used in industry today and shy away. Chair Paulos noted that this would be valuable for any rural area. Doug Sayer asked if the association would be open to members from other parts of the state. Mr. Bonfield was unable to answer the question without consulting his board, but noted that they have a very small staff and that may limit options to grow. Chair Paulos thanked Mr. Bonfield for his presentation.

Investments in Incumbent Worker Training (Transmittal #2)

Leandra Burns referenced Transmittal #2 which discusses a proposal to shift the Incumbent Worker Loan program to a grant program for high wage/high skill jobs. Staff asked the council to endorse the department's request to seek legislative approval to re-appropriate the existing Truck Driver/Nursing Incumbent Worker Revolving Loan Fund to establish an Incumbent Worker Training Fund, target funding to high priority occupations in established or emerging regional industry clusters and identify members to serve on a committee to develop and establish program guidelines and grant requirements for funding. John Currin moved the council accept

these recommendations; seconded by Jim Schmidt and carried unanimously. Jim Schmidt, Dave Whaley and John Currin volunteered to serve on the committee.

Communications & Research Update

Georgia Smith provided the council with an overview of the Idaho Department of Labor's Research and Analysis Bureau, focusing primarily on the bureau's output—data and product availability. Through the federal Bureau of Labor Statistics and other workforce information grants, the bureau has been able to provide more information through automation and is working on the development of a marketing plan that will highlight its work.

Sara Gieseke provided the council information on the department's Research and Analysis Bureau's most recent project, Short-term Employment Projections for 2006-2008. Highlighted during the presentation was the projected annualized growth by industry, which shows almost a five percent growth for education and health services. The industries with the most job growth during this period were shown to be general merchandise stores at 22 percent over the two-year period. During the same time, those industries with the most job losses look to be related to computers and electronic jobs, with more than 1,400. These losses are primarily due to the downturn in the semiconductor industry. The fastest growing jobs in the state are slated to be those related to the health industry, including pharmacists, RNs and pharmacy technicians. The jobs seeing the steepest decline were those related to electrical engineering, also attributed to the downturn in the semiconductor industry.

Ms. Gieseke also noted the Research and Analysis Bureau's reporting periods, noting its annual June reports to USDOL and December presentation to the Idaho State Legislature. As part of its marketing efforts, the bureau is placing more of an emphasis on industry projections to better assist the council and others in their efforts to help meet business needs throughout the state. Several council members responded that the information was very helpful and would like to see it available for use. Cheryl Brush added that council members could go to the council's Web site and see a link to this presentation and the rest of the day's presentations.

Organizing for an Innovation Economy

Ray Barnes from the Idaho National Laboratory presented data regarding a technology-based economic development process. Through his participation in the Governor's Science and Technology Advisory Council, Mr. Barnes was able to amass and provide the council an extensive amount of information on the technology-based economic development efforts of the surrounding states of Utah, Oregon and Montana.

With most states expressing significant interest in this realm of economic development, each state has varying levels of commitment, especially as they struggle with some of the more significant traditional issues regarding economic development—old economy vs. new (usually agriculture vs. any new industry), geography (larger and concentrated population base vs. smaller geographic majority) and others. Despite some of these travails, all states seem willing to jump on the new BIO bandwagon.

In highlighting each state's progress, Mr. Barnes noted the degree to which each state's legislature had committed to the effort. Idaho had committed the least amount of state funding with \$100,000 while Utah had committed over \$100 million to their state's effort. Successful practices include involving legislators on the state technology councils or boards; however Idaho does not include legislators. The state of Idaho is striving toward this goal, but is seemingly behind its neighbors. Keys to success include a bipartisan approach and a concerted effort to include industry leaders and trade associations.

Professional-Technical Education

State Board of Education Interim Executive Director Dr. Mike Rush reported the One-Year Transition Plan (FY2007—FY2008) for the Carl Perkins Act programs in Idaho is in place. The plan is the bridge from the previous Carl Perkins Act ("Perkins 3") to the reauthorized act of 2006 ("Perkins 4"). The current focus is on preparing the full six-year plan that will last until 2013. A series of public hearings will be held in January 2008 and there will be an industry review of existing programs to identify value added efforts these programs should undertake. Dr. Rush asked that each council member review the full plan, which will be posted on the Internet, and participate in the planning process.

Dr. Rush reported on new developments for the Division of Professional-Technical Education. The 2007 Idaho Legislature moved the Adult Basic Education (ABE) program from the Department of Education to the division and assigned the responsibility for state employee common training to the division. He would like to see more integration of ABE into all workforce development training programs. Dr. Rush said the division and the State Board are preparing legislation to regulate proprietary vocational training schools. Currently there is little regulation and a bonding mechanism that guarantees repayment of student fees—should the school go out of business—is needed.

Vice Chair B.J. Swanson said she perceived a lot of "floundering of persons (age) 18 to 29 as they seem to be unsure of their career goals and the results are (that they are) dropping out of college, moving from job to job and not having a clear idea of their job future in general." Dr. Rush replied that many factors contribute to these outcomes. He added that the professional-technical training system prepares students for a specific career focus and has a better college graduation rate than all college programs combined. In response to Jim Schmidt inquiring about having some aspect of high school vocational-technical classes count toward the student meeting the new Idaho graduation requirements, Dr. Rush replied that work is under way to count some vocational training as meeting graduation course requirements. He said mathematics poses some problems for students but there are five pilot projects around the state that are testing ways to address a number of issues.

Community Based Job Training Grant Proposal (Transmittal #3)

Leandra Burns, Idaho Department of Labor, presented Transmittal 3 which requests the council voice support of two Community Based Job Training grant applications being submitted to the United States Department of Labor. The purpose of this grant program is to increase the capacity of community colleges for the delivery of training in high growth, high skill

occupations. Boise State University intends to submit an application to expand its advanced manufacturing programs and Eastern Idaho Technical College has prepared an application to build capacity to respond to the need for radiation safety technicians at the Idaho National Laboratory and elsewhere in the growing nuclear energy industry.

A brief description of each proposal is attached to the transmittal. Staff recommend the council write a letter of support for each proposal.

Tom Hally moved and Jim Schmidt seconded the recommendation be adopted and that Chair Paulos write a letter of support for each proposal application. The motion passed unanimously.

Workforce Innovation in Regional Economic Development (WIRED)

Candy McElfresh from the Region IV Development Association in Twin Falls presented an overview of a new talent development project that is starting up in South Central Idaho. The region will receive up to \$5 million during the next three years to implement its "Extreme Makeover: Transforming Central Idaho's Regional Economy" project. The funding is provided by U.S. Department of Labor's Employment and Training Administration through its Workforce Innovations in Regional Economic Development initiative, and the funds were awarded via a national competitive process. RIVDA's proposal was among 13 awarded grants.

The project will be led by a leadership team that includes local employers, schools, elected officials and workforce development staff. The focus will be on transformation and talent development efforts in the areas of advanced manufacturing, construction and biotechnology. The project is just getting started with operational plans being finalized. ETA has committed to make its funds available as soon as these final planning steps are completed.

Chair Paulos invited council members to get involved in this far-reaching project and he will make periodic reports on the project to the council. John Currin said he also would like to hear the progress reports, especially information on obstacles encountered and how they were overcome or if the council can assist.

Idaho Residential Construction Education

Home Builders Institute Grant Director John Shortt and Idaho Residential Construction Education Program Coordinator Cyndie Woods presented the success they've achieved under "Building Today's Workforce for Tomorrow". The National Association of Home Builders in partnership with community colleges, secondary schools, Workforce Investment Boards and employers received a \$4.2 million U.S. Department of Labor Grant to design a program to address the projected shortfall of 700,000 skilled trade workers over the next 10 years. The goal of the grant is to recruit 250 individuals per site into craft skills training which includes, carpenters, electricians, plumbers and heating ventilation and air-conditioning. Idaho was fortunate to be one of the training sites under this national grant.

To boost recruitment, Home Builders Institute and partner stakeholders collaborated to provide college credit for craft skills training; developed articulation agreements among secondary

schools, pre-apprenticeship, apprenticeship, Job Corps and community colleges and improve recruitment strategies; forged closer links between home builders associations and educational institutions; utilized untapped resources available through Idaho's One Stop Career Centers and developed national partnerships.

To date, the organization has been successful in securing \$119,908 in matching funds from partner groups. The grant is scheduled to end in 2007 but efforts to expand construction training are expected to continue under the Region IV WIRED grant.

Energy Systems Technology and Education Center

Richard Holman, CPT, Energy Workforce Initiatives, INL made a presentation on the Energy Systems Technology and Education Center. This is a partnership between Idaho State University, Idaho National Laboratory and Partners for Prosperity, local, regional, and national and international energy companies.

The three initial degree programs the group is focusing on include:

1. Instrumentation and Control Engineering Technology
2. Electrical Engineering Technology and
3. Mechanical Engineering Technology.

To date, they have secured \$2 million in Department of Labor's Community Based Job Training Grant, \$600,000 from the National Science Foundation ATE Grant and they are currently renovating a 25,000 square foot building on the ISU campus with a \$1.1 million investment from Idaho Department of Public Works.

Strategy Development for the Workforce Development Council (Transmittal #4)—tabled

Given the time of day and that several council members had to leave for the airport, Chair Paulos tabled Transmittal 4, the discussion of high priority items for council action. He proposed the formation of several council committees to consider some of the tasks included in the council's strategic plan. Accordingly, he named the following subcommittees and asked for volunteers to serve on them:

Employer/Student Expectations

Just what do employers expect of their entry-level employees?

What do the new workers expect from their employers in the way of job orientation, on-the-job training and growth opportunities?

If these questions can be answered, how do we infuse the findings into our education and training programs?

Volunteers: Pat Minegar, Doug Sayer, Con Paulos

Guidelines for Incumbent Worker Training

The Idaho Department of Labor is anticipating introducing legislation for converting the existing state-funded training fund for truck drivers and nurses into a more generic incumbent worker training fund.

The council would like to be involved in preparing the legislation.

Volunteers: Jim Schmidt, Dave Whaley, John Currin

Youth Council

USDOL is likely to require that the state establish a youth council as required by the Workforce Investment Act.

The Workforce Development Council needs to consider the ways to meet this requirement and set the charter for the youth council.

Volunteers:

New Business

Con Paulos proposed the next council meeting be held in conjunction with related councils on January 15 and 16. This has been called a "summit meeting" the last four years. Dr. Rush noted the Professional-Technical Education Division will be holding its annual Legislative Luncheon meeting on January 15 and perhaps the council would like to join them. Con said that might be a good idea but the staff will be coordinating these meetings. He instructed the council to expect to meet on the proposed dates in Boise.

Jim Schmidt proposed that the Career Information System (CIS) be asked to give a presentation or demonstration at the next council meeting. He said CIS is a wonderful resource and the council should be exposed to it.

Dave Whaley expressed several concerns that he would like the council to address.

Mr. Whaley said the nation's health care system is a mess and it needs to be fixed. As an example, he cited the Governor's thinking that state employees be asked to trade some part of salary increases to make up for a reduced state share of health insurance costs.

He also said the council should become more aware of what is happening with the aging of the work force and the need of older worker programs. As an example, he asked Melinda Adams of the Idaho Commission on Aging to briefly explain a National Governors Association upcoming Policy Academy possibility that would focus on state older worker policies and programs.

Finally, Mr. Whaley encouraged the council to become more familiar with the apprenticeship programs and how they should be used in effective work force development programs.

Roger Madsen replied with his personal opinion that "the Governor's proposed state employee pay/health insurance package is the best I have seen in 31 years of state government employment."

There being no other business, the meeting was adjourned at 4 p.m.

Workforce Development Council
Members:

Dick Armstrong (absent)
Sue Arnold (absent)
Kara Besst (absent)
John Currin
Jim Ellick (absent)
Millie Flandro (absent)
Tom Hally
Cindy Hedge
Betty Kerr
Alex LaBeau (absent)
Tom Luna (absent)
Roger Madsen
Shirley McFaddan
Patrick Minegar
Jan Nielsen
Kirby Ortiz
Con Paulos
Brent Reinke (absent)
Mike Rush
Doug Sayer
Jim Schmidt
Donald Smith
B.J. Swanson
Dene Thomas
Kent Tingey
Kim Toryanski (absent)
Dave Whaley
David Yoder

Guests:

Jim Adams
Melinda Adams
Susan Baca
Ray Barnes
Rico Barrera
Dave Bonfield
Stan Brings
Cheryl Brush
Leandra Burns

Terry Butikofer
John Cantrell
Susan Choate
Jonathan Coe
Sue Cook
Gail Cushman
Cheryl Engel
Jay Engstrom
Bob Fick
Sara Gieseke
Gordon Graff
Sam Greer
Dawn Hall
Ed Harrison
Richard Holman
Vicki Isakson
Dwight Johnson
Scott Johnson
Brady Kraft
Dale Langford
Jim Marconi
John McAllister
Allison McClintick
Candy McElfresh
Karen McGee
Joyce McRoberts
Arthur Page
Jerry Riley
Kristyn Roan
Lisa Roberts
John Shortt
Georgia Smith
Ann Stephens
Alice Taylor
Rogelio (Roy) Valdez
Salvador Vazquez
Roy Villasenor
Genie Sue Weppner
Cyndie Woods